

UNIVERSITY OF
ILLINOIS LIBRARY
AT URBANA-CHAMPAIGN
BOOKSTACKS

DATE DUE

UIC FEB 16 '01

10:30 AM

GAYL ORD

PRINTED IN U.S.A.

330
B385

STX

No. 1245 ~~CCP-2~~
CCP-2



BEBR

FACULTY WORKING
PAPER NO. 1245

The Controversial Norwegian Value Added Tax

John F. Due
Ulla Brems

College of Commerce and Business Administration
Bureau of Economic and Business Research
University of Illinois, Urbana-Champaign

BEBR

FACULTY WORKING PAPER NO. 1245

College of Commerce and Business Administration

University of Illinois at Urbana-Champaign

April 1986

The Controversial Norwegian Value Added Tax

John F. Due, Professor
Department of Economics

Ulla Brems
Urbana, Illinois



Digitized by the Internet Archive
in 2011 with funding from
University of Illinois Urbana-Champaign

THE CONTROVERSIAL NORWEGIAN VALUE ADDED TAX

Abstract

With the entry of Spain and Portugal into the EEC, all countries of Western Europe have shifted their sales taxes to the value added form except Switzerland and Finland. In all of the countries with one exception the tax is generally accepted, although there have been controversies over certain features. The exception is Norway, in which the VAT has been under substantial criticism from groups which seek return to the retail sales tax form previously used. Almost nothing has been written in English on the Norwegian tax; this paper is based upon a translation of a 1985 report by the Norwegian Treasury on the issues relating to the tax. The primary arguments used by the opponents of the tax center around the claim that the tax is more costly for business firms and the tax administration than a retail sales tax would be. But little evidence is provided, and the defenders of the present tax stress the usual advantages of the VAT form.

Like the taxes of Sweden and Denmark, the Norwegian VAT is a very broad based levy with very few exemptions, coverage of farmers, and exclusion of only the very small firms. The tax rate is uniform. Only the New Zealand VAT now being implemented is broader in overall coverage.

THE CONTROVERSIAL NORWEGIAN VALUE ADDED TAX

John F. Due
Professor of Economics, University of Illinois

Ulla Brems
Urbana, Illinois

Value added taxes in Europe have been generally accepted. There have been criticisms of some aspects of the structures, particularly in Eire, but little major argument for change from VAT to another form of sales tax. The exception is Norway, where the tax has been subjected to substantial criticism, not only in detail but in terms of the principle of using the value added tax form. This concern in Norway has been a major influence on the government of Iceland in delaying a shift from a retail sales tax to a VAT. As a consequence of the concern, the Norwegian government ultimately appointed a committee to review the issue, and the commission, in 1975, recommended change to a retail sales tax. Neither the Labor government in power at the time nor the Conservative government that took over in 1981 made the proposed change. In 1985, the Treasury prepared a detailed report on the tax, which was presented to Parliament.¹ Since little has been written in English on the Norwegian experience, this paper has been prepared as a summary of the 1985 report. The government announced in the December 1985 presentation of the budget for 1986 that it is appointing a new commission to study the issue.

1. Finans-og-tolldepartementet, St. meld. Nr. 54 (1984-85), Om merverdiavgiftssystemet, Oslo, 1985, translated by Mrs. Ulla Brems.

The authors are indebted to Dr. Helge Seip of Oslo for his assistance.

The Development of the Tax

In Norway a sales tax was first introduced in 1935. It was a 1% cumulative turnover tax levied at all stages of sales and transfers of services without deductions for taxes paid on previous levels. The rate was raised several times. In 1940 the decision was made to replace the tax with a sales tax on only one stage in the chain of transactions, primarily to gain additional revenue. After some debate the last stage (retail) rather than a wholesale sales tax was chosen. This was in effect until January 1970, when it was replaced by a value-added tax.

This 1970 tax basically remains but as noted there has been some dissatisfaction, and as a result several studies have been made, the report of one being the prime source of this paper. The basic issue is: should the value added tax be retained or replaced by another form of sales tax, which would be more effective? Included in the 1985 report are minority and majority statements by parliamentary committees investigating the subject, plus an evaluation by the Treasury, and statements from various interest groups in 1975 and 1984. In part III problems concerning special categories of goods and services are discussed. In 1985 the value-added tax yielded over 39 billion Norwegian kroner or 20% of the total budget revenue.

Main Principles of the Norwegian Value-Added Tax

The tax is levied on sales of goods and services at all levels, from sales by the manufacturer through retail sales. Imports of goods are also taxed. In principle all goods and all sales are subject to tax, but only those services that are specifically mentioned in the law are taxed. Included are for example: Services related to real estate,

shipment of goods, transfers of patents and trade marks, advertising, data processing, services of technical consultants, food service. Services that are not taxed are, among others: Bank services, insurance, transportation of persons, renting of rooms, realtors' services. Any business that sells goods and services liable to tax is required to notify the local tax office. The tax authorities register the business if sales and taxable goods retained for own use have exceeded 12,000 ~~kroner~~ during a period of twelve months.

The tax is levied only on the value added at each stage of trade. To arrive at the proper amount a firm deducts the sum of all VAT it has paid out to its suppliers from the total amount of taxes it has taken in because of sales to its customers. If the difference is negative the firm receives a refund.

When the value-added tax bill was introduced the emphasis was on making the obligation to pay VAT as general as possible. Therefore few exemptions are granted. With some, technically those zero rated, the firm can deduct VAT paid at previous stages.

Exemptions with right to deduct previously paid VAT (Zero Rated): Some goods that in principle would be included are zero-rated (though this term is not used). The business does not charge VAT on the sales of these goods, but keeps its right to deduct its own payments of VAT against its tax liability. Thus, when the product reaches the consumer, it is totally free of VAT. Some important transactions in this category are: Exports; oil drilling in the North Sea; sales of ships and air craft; newspapers, books and subscriptions to magazines; electric power for household-use in Northern Norway; certain public services.

Exemptions without the right to deduct: This group includes goods that are excluded from the categories to be taxed (specifically mentioned goods, plus services not named as being subject to taxation). In this case VAT must be paid to suppliers of goods used in the production process with no right to take credit for that amount. Thus the reduction in the tax burden is limited to the tax on the value added on the exempt stage.

According to the VAT law, enterprises that deal in certain non-taxed services can apply to register on a voluntary basis, thereby gaining the right to deduct previously paid VAT, the right that goes with the obligation to register. Thus these services are zero rated. This has been granted for instance for agency sellers, ship brokers, livestock breeding associations, accounting firms, news and wireservices. Voluntary registration has also been granted to firms that build or rent real estate to businesses that are selling goods that are liable to VAT, thereby enabling them to deduct taxes paid on acquisitions used in their businesses.

The value added tax is levied according to a general rate fixed yearly by parliament, 20% as of 1986. The rate is applied to the sales prices of domestic goods, on the duty paid value on imports, as determined at customs. The tax element is not included in the price that forms the base.

A special rate, 11%, is applied to fishing (excluding the tax from the base).

On electric power, the tax rate is applied to an adjusted average price determined by the Treasury.

The value added tax is collected on the basis of reports that each business is obliged to submit each reporting period to the local tax office. The report must include total sales volume, VAT paid on purchases, VAT due on sales, and investment tax. A firm must, on the basis on its

own accounts, figure out its tax liabilities, under a self-assessment system.

Generally the reporting term is two months, but for agriculture, forestry and fishing it is the calendar year.

Evaluation of the Value-Added-Tax

In 1973 a committee chaired by Professor Olav Gjarevoll, Trondheim, was appointed by the Government, with the mandate to analyze the value-added tax system and to evaluate the experience since 1970, when it was introduced, in terms of the expectations for a general sales tax.

The entire committee agreed that the only alternative to a value-added tax was a retail sales tax. A majority of 10 concluded that the current VAT should be replaced with a retail sales tax. A minority of 3 were in favor of maintaining the VAT. The committee's report was presented on Nov. 11, 1975.

The majority's viewpoints were as follows: The VAT as well as the retail sales tax fullfill the requirement of yielding a high revenue to the government. The two taxes are also judged equal with respect to being neutral with regard to competitive advantage. Defining the limits for what is going to be included in taxation is easier under VAT than under a retail sales tax due to the general rule that all sales are taxed under the former, whereas sales between businesses are exempted from the latter. Difficulties might arise with the retail tax for instance in cases where enterprises sell the same goods wholesale as well as retail. But it was argued that the opportunity for fraud is somewhat greater under VAT, and that control is more difficult. This problem combined with the fact that the number of firms to be controlled is larger under VAT

make the VAT more expensive to administer and causes more work for the enterprises as well as for the government. The extra annual cost associated with the VAT was estimated to be 614 million kroner.

In spite of these relatively few negative features and the problems associated with a change in the tax system, the majority of the VAT Committee recommended that a retail sales tax should replace the existing tax.

The minority's viewpoints were as follows: It was agreed that the two systems would yield the same income for the government in principle. Whether in practice they would actually yield the same amount depends on possible difference in the amount of fraud. The minority believed that the government's opportunity for control was better under VAT. It was pointed out that the right to deduct tax on purchases encouraged correct reporting of purchases as well as sales, whereas in the case of a retail sales tax only the sale would be reported. The participation of customs authorities applying tax to all imports would also support control. The tendency to have more exemptions under a retail sales tax facilitates manipulation with the intent to reduce tax liability. Being more general the VAT would be easier to administer. The conclusion is that net advantage of a new system had not been demonstrated, and therefore the VAT should be retained.

Responses to the Report From Various Groups

In Dec. 1976 the V.A.T. Committee's report was sent to a number of institutions and organizations, and 59 of them gave a response. A large majority of them favored retaining VAT. On Jan. 11, 1984 the responses plus the original report were again subject to hearings. There were no significant changes in the views expressed.

The general opinion of the business community was that the system had worked well, and both national and local tax authorities felt that the VAT had functioned satisfactorily with respect to administration and control.

Opinions about meeting obligations under the tax law were offered by groups such as The Norwegian Association of Lawyers, The Telecommunications Department, Association of Norwegian Power Companies, etc. They all agreed that the VAT is more clear cut and easier to handle, with little room for subjective distinctions. Some also felt that the responsibility for collecting and reporting such large sums should be shared by all and not be carried only by retailers.

A lengthy discussion of which system offers the least opportunity for fraud follows in the report.

The Norwegian Association of Civil Servants argued that VAT on the whole offers greater opportunity for gain at the expense of the public through incorrect reporting.

The Norwegian Federation of Labor expresses the same opinion and on that basis joins the majority in its conclusion that the VAT should be replaced with a retail sales tax.

Other responses point out that the opportunity for fraud does not necessarily mean that fraud takes place. No statistics exist on how often it has happened, and how large are the sums involved.

The ability to control attempted fraud under the two systems was discussed, and opinions varied. Some of the organizations involved in the hearings were concerned with control (or lack of it) implemented by tax authorities. Others pointed to the importance of control features

built into the VAT system. It was pointed out that there is nothing similar with the retail sales tax, whereas some characteristics of the VAT assured a degree of automatic control. The following is an example of such an effect: At each stage of turnover the seller collects the tax that the person at the next stage must pay. The buyer in turn is interested that his payment is correctly reported because he has a right to deduct the tax from his tax liability. Fewer errors would also be likely due to the fact that many firms that pay VAT are larger and have better accounting systems than retail businesses.

The Norwegian Association of Civil Servants argued that the problem of control was underestimated and claimed that chain reactions of fraud took place. Producers at one stage agreed with producers at the next not to record the transactions in their accounts.

Various interest groups disagreed on the relative cost of operation of the two systems.

The Fishing industry stated that for it a retail sales tax would cost less to administer.

The tax authorities considered the retail tax more costly, especially the transition, which would add considerably to the expenses. Shorter reporting terms under the proposed retail sales tax (a reduction from two months to one) would also add to the costs. Furthermore they believed that the estimate by the majority of the VAT committee of the cost associated with VAT was too high. The Norwegian Federation of Manufacturers and the National Association of Merchants shared that opinion.

Neutrality with respect to influencing patterns of trade would be weakened under a retail sales tax according to the tax authorities and the Central Organization of Agriculture. For example: if farmers and

foresters sell their products to private customers they can retain the collected sales tax for a long period, since the reporting term is one year in their fields. This advantage is lost under a retail tax if they sell through wholesalers. Therefore the latter trade channel will be avoided.

According to the Norwegian Bank Association a transfer to retail sales tax would have considerable influence on liquidity. There is a timespan between the time the VAT is collected and the time it is due the government. During that time the tax money adds to the liquidity of the enterprise. If a retail tax replaced the VAT a different group of businesses would gain liquidity. Some businesses would need more credit than before, others less, and banks that were associated with certain lines of businesses might have problems.

Evaluation and Conclusion by the Treasury

The Treasury concludes that a general sales tax that yields a large revenue is a necessary foundation for the tax system. The Treasury agrees with the VAT Committee that in practice the choice is between two systems only, either a value added tax, or a retail sales tax. From the point of view of economic-political evaluations as well as for technical reasons these two systems are far superior to other known alternatives.

The economic and distributive effects of the two alternatives, the VAT and the retail sales tax, will to a great extent be the same, provided the two systems are designed and operated with the objective that the coverage and yield be the same.

If one is to get the intended result and same effects from a retail sales tax as from the VAT, the retail sales tax must have a different

form from the one that was abandoned in 1970. This is due partly to the fact that the area of taxation has to be widened, compared to the retail sales tax before 1970, and partly because it is not desirable to levy the same high tax on investment goods and other products and services used in production as on consumer goods. It is this new form of retail sales tax that has to form the foundation for the comparison of systems.

Since the economic and distributive effects of the alternatives are essentially the same, the choice must primarily be based on technical and administrative considerations. There are advantages and disadvantages in both systems. After having weighed those the Treasury concluded in favor of retention of the VAT. There are several reasons for this choice:

First, VAT offers a better foundation for confining the tax to consumption purchases. With sales of goods and services under the retail sales tax system the seller must take into account whether the buyer is registered or not, and if it is, the extent to which the acquisition is made for use in the business or for personal taxable purposes. The seller, who has the responsibility for figuring the tax, will be totally dependent on correct information from the buyer.

Under the VAT system the seller applies the tax to total sales, and the responsibility for the payment of tax on personal consumption is shifted to the buyer. If he neglects to enter purchases or withdrawals for private consumption in his accounts the government will lose tax, but the opportunity to control this fraud is greater under VAT, as only the buyer must be checked.

Second, under VAT, 19% of the registered firms make 90% of sales. The Treasury considers it a clear advantage that large enterprises with

well-organized accounting systems and good interior control, which are likely to be found at earlier stages of production and distribution, are responsible for a large portion of the tax revenue, even though one must be aware that part of the advantage disappears through later right to deduct taxes on purchases.

Third, based on the responses at the hearing, it appears that the general standards of accounting improved when VAT was adopted. Not only the sales tax administration but also administration of income and property tax benefit from better accounting.

Fourth, changing to a new tax system causes large change-over costs. All persons who come in contact with the tax system must be retrained, and new accounting and payment routines in the world of trade and new administrative and control routines for the tax authorities are needed. The new system has to have clear advantages to justify the costs of the change. From an overall point of view the Treasury does not see that advantages are shown to justify the transition costs. Finally, the Treasury emphasizes that the existing tax system holds an advantage over the retail sales tax system even without considering the transition costs.

On two issues, the view of the Treasury differs significantly from that of the majority of the VAT Committee. First, the majority emphasizes that there will be far fewer registered enterprises under the retail sales tax system and therefore fewer control units. The Treasury does not believe that the argument is valid. The Treasury believes that for the same revenue and with the same tax coverage of goods and services, it is necessary to register the same number of enterprises under the two tax systems in question.

Second, the majority of the Committee carried out quantitative estimates of the cost of computing and collecting the VAT and considered the result important. According to the Treasury these estimates rest on such dubious assumptions that the results are not acceptable. It is probably true that a better accounting standard has meant increased costs, but the advantages more than offset the costs. The statements from the trade organizations do not indicate that the extra work with the accounts has been significant.

Special Problems under the Value-Added Tax

Very few changes have been made in the VAT Law since it was introduced. The main principles stand, and only changes for certain separate categories have been made, few exemptions have been added, and the tax has been levied with a uniform rate on all goods and services.

However, some institutions and organizations have called the attention of the Treasury to the problems created by VAT in certain areas. The main concerns are: 1) defining the limits for the area to be taxed, and 2) whether sales of certain goods and services should be exempted from tax. Throughout the report the importance of keeping rules general and of avoiding exemptions has been stressed. Deviations and exemptions from the general rules seem to be the root of most problems. Exemptions weaken the VAT as a source of revenue, work against the desire for neutrality, and make it harder to administer effectively. Also tax exemption in one area often leads to demand for exemptions in another area.

In spite of all these drawbacks of exemptions, some areas have been singled out as possible candidates for special treatment.

Food

A special arrangement to avoid tax on food was in effect from 1974-1982. This was not introduced as a tax exemption, though, but as a compensation for VAT paid on certain foods, and thus a subsidy. The opinion of the Treasury has been that food should not be placed in a special position under VAT. The reason for exempting food is the desire for a "fair" distribution of the tax burden. But if food was exempted why not children's clothing, and medicine? Such a demand would be especially hard to resist if all food was subject to exemption, including luxury items like smoked salmon etc. It would be impossible to define luxury items, and if some foods were tax free and others not there would be a competitive shift between food groups and change in consumption patterns. Difficulty in application and control is another argument against total or partial exemption of food. It would be especially difficult for small businesses to distinguish between taxable and non-taxable goods.

Furthermore, since tax on food represents 7 billion kroner the tax on other basic necessities would have to be raised considerably if the tax on food were eliminated. Not all tax elimination will be passed on to the consumer. There would be a tendency for the retail merchant to keep the price on basic foods with low elasticity high and only lower the price of luxury items by the amount of savings in tax, thereby destroying the desired income distribution effect.

The VAT Committee, The Civil Servant Committee, and the Treasury all agree that higher income tax deductions for child support, subsidies on certain foods and other forms of transfer payments would be more efficient in accomplishing the desired change in income distribution.

Used Goods

The merits of exempting sales of used objects are also discussed. As it now stands the VAT law does not differentiate between sale of used and new goods. Double taxation in a sense exists when an item that was sold to a consumer and taxed at that stage reenters the circulation by being sold to a second hand dealer. His new price that forms the basis for the sales tax charged the next consumer will include the already paid tax, thus taxing a tax. The Treasury feels that these and other arguments are not strong enough to make second-hand sales an exemption from VAT.

Tax on Water and Sewage Services

In principle government institutions are subject to the same rules as private enterprises under the VAT Law. Waterworks and sewage plants are subject to this rule and they collect and pay VAT on the charge for their services. Some problems arise in cases where municipalities charge less for some of their services than actual cost (for economic or political reasons). Since VAT is only paid on actual charges, the central government will lose revenue on the portion of the cost of services that is financed via income tax, real estate tax or revenue from other sources. Municipal and Central government fiscal relations are altered. Wealthy municipalities will more likely cover water and sewage fees through the general tax system while poorer ones have to rely more on fees directly charged for the services provided.

The Treasury has received requests from many municipalities that VAT be abolished for water and sewage.

The Department of Environmental Issues has suggested that 1) the fee for hook up to water and sewage systems should be considered an investment, therefore being free of VAT, and 2) that the VAT on charges for current services should be figured on a fixed price per unit of volume of water, making it independent of method of financing.

Printed Matter

Enterprises selling printed matter are in principle treated the same as other enterprises and pay VAT, unless there are special rulings, justified on the grounds that in a language area as small as the Norwegian one, the printed word should not be burdened with the extra costs of a tax levy. One such special ruling is in force for newspapers. If they are published regularly with at least one issue a week they are exempted from VAT.

Sales of books are tax free at the retail stage, as are magazines that are mainly distributed to subscribers or members of an organization, or journals whose content is mostly of a political, literary or religious nature.

An advisory committee has been appointed to secure even standards in the interpretation of what is included in these exempt categories. The concept of a book is ambiguous and is not rigorously defined in the law. The government chooses to list the types of "books", journals, etc. that should not be exempted from the tax.

Doubts and uncertainties about the categories into which printed matter fall are abundant, especially after modern copying techniques have facilitated distribution of large amounts of written communications.

Even though the present system of exemptions for printed matter has resulted in complications and subjective interpretations, the reason for having the exemptions weighs so heavily that the decisions have been made to keep them.

Tele-Communication Services

Telegraph, telephone and television services, though publicly owned, are subject to VAT, but exemption has been considered. The telecommunications department has suggested that its services should be exempted or taxed at a lower rate. The reason for this request is that costs for these services are unusually high in Norway, due to geographic and topographic conditions and low population density. On the other hand the benefits of tele-services are of more importance than in other countries with denser population and shorter distances. The Treasury came to the conclusion that it would be undesirable to treat tele-communication services different from other services used by enterprises or consumers, and does not recommend them for exemption.

Competition Between Public and Private Enterprises

The effect that the VAT could have in shifting the competitive advantages of public and private enterprises is discussed. Institutions owned by municipalities or the central government pay VAT in principle. Again the exemptions are the troublemakers, and the arguments against them are similar to those mentioned above.

It has been suggested that construction, repair et. al. of public roads should be exempted, and temporary exemption was granted in 1978. The argument against this exemption was that road construction might be given priority over other projects within the public sector because the costs would be lowered by the amount of taxes saved.

The Union of Norwegian Janitors and the Norwegian Architects Union requested that the VAT be removed from their services. Their reasons were the same and involved a fundamental principle. They claimed that a public institution in order to save VAT would let their own employees perform the activity within the institution rather than hiring it out to specialists in the private sector, for example let their own workers clean rather than subscribe to janitorial services from a private firm. The public institution would have to pay VAT on the private service. The Advisory Committee found that the extent of the problem and the hardship on the profession were not large enough to justify exemptions.

Conclusions of the Authors

The inevitable conclusion from review of the report is that the case made for replacing VAT by a retail sales tax is not a strong one. The primary case was based on the larger number of taxpaying firms under VAT and the argument that compliance and administrative costs are greater, burdening the government and the taxpaying firms. These arguments were rejected by the supporters of the VAT form. If change from another form to either of these were being considered, the case for the retail tax would be somewhat stronger. But even in this situation the arguments for use of VAT would, under the circumstances, appear to be much greater. While many of the arguments made on both sides were familiar ones, some usual ones, such as the difficulty in keeping tax out of export prices with a retail sales tax, were not mentioned. The case for VAT was not shaken by the arguments advanced by the opponents. It would appear that the Treasury was justified in rejecting the recommended change. The surprising element is the continued strength of the anti-VAT group, by comparison with other countries.

Appendix: The VAT in Sweden¹

The Norwegian and Swedish value added taxes are similar in many respects. The tax was introduced in Sweden 1969, replacing a retail sales tax dating back to 1960. The change was made primarily to facilitate exclusion of capital goods from tax, and in the belief that more revenue could be raised. The base of the tax is very broad. All commodities are taxable unless specifically excluded. As in Norway, a distinction is made between exemption in the usual sense and zero rating, which is designed as "technical tax liability." Exemptions, per se, include certain publications, works of art, water supplied by waterworks, business assets and stock in trade upon transfer of the business; certain dental products when sold to dentists. Goods subject to "technical tax liability," e.g., zero rated, include vessels, aircraft, prescription pharmaceuticals, electric power, crude oil, fuel for heating and energy, newspapers.

Only services specifically mentioned are taxable; these include services rendered in conjunction with taxable commodities such as repair, storage, etc.; catering; various land improvements; building construction and related activities; freight transport; transient accommodations; data processing; copying; publicity and advertising. From some of the taxable service categories exemptions are provided (e.g., tending of reindeer in Lapp villages), for others, zero rating, such as showing of films.

Unlike Norway, Sweden requires the inclusion of the tax element in the taxable price; thus the nominal 19% rate is in fact 23.46 percent of the price exclusive of the tax element. Certain activities, essentially

1. Based on National Swedish Tax Board, (Riksskatteverket), VAT--An Introduction to the Swedish Value Added Tax (Stockholm: 1985).

of a construction nature, are subjected to much lower rates (3.95% on the price exclusive of tax). Compulsory invoicing of tax is required except on retail sales. Returns are required on a two-month interval, with provisions for longer period for smaller firms. Firms with annual sales under 10,000 kronor are not required to register. This figure will rise to 30,000 kronor July 21, 1986.

In summary, the two levies are very similar, with very broad coverage (though not as great as that of the New Zealand tax in the process of implementation), with no exemption of food or other primary necessities (both countries have effective progressive income taxes and extensive income maintenance system), with a uniform tax rate (with minor exemptions). Farmers are subject to the registration requirement. Thus the taxes differ from most of the EEC value added taxes, which have more than one rate and many of which have broad exemptions. The two levies, however, make greater use of the zero rating principle for commodities and services excluded from tax than do the EEC countries; EEC directives have sought to limit zero rating.

SL/April 1986

HECKMAN
BINDERY INC.



JUN 95

Round - To - Round N MANCHESTER
INDIANA 46962

UNIVERSITY OF ILLINOIS-URBANA



3 0112 049675041